

**IN THE DISTRICT COURT OF THE UNITED STATES  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION**

**Larry D. Thomas**  
**Plaintiff/pro se**

**Civil Action No 2:05cv437-T**

**Vs**

**R James Nicholson**  
**Secretary, Department of**  
**Veterans Affairs**

**EXHIBIT A**  
**Quick Reference Guide To A Permanent Change of Stations (PCS)**

## 5 CFR Ch. I (1-1-04 Edition)

competitive status automatically on conversion.

[52 FR 25194, July 6, 1987, as amended at 52 FR 43722, Nov. 15, 1987; 66 FR 66710, Dec. 27, 2001]

**§ 315.711 Readers, interpreters, and personal assistants serving under Schedule A appointments.**

(a) *Agency authority.* An agency may convert noncompetitively to career or career-conditional employment, a reader, interpreter, or personal assistant:

(1) Who completed at least 1 year of satisfactory service in such a position under a non-temporary appointment under 5 CFR 213.3102(11); and

(2) Whose employment in such a position is no longer necessary for reasons beyond management control, e.g. resignation or reassignment of the employee being assisted.

(b) *Tenure on appointment.* (1) Except as provided in paragraph (b)(2) of this section, a person appointed under paragraph (a) of this section becomes a career-conditional employee.

(2) A person appointed under paragraph (a) of this section becomes a career employee when he or she has completed the service requirement for career tenure or is excepted from it by § 315.201(c).

(c) *Acquisition of competitive status.* A person appointed under paragraph (a) of this section acquires a competitive status automatically on appointment.

[55 FR 12327, Apr. 3, 1990]

**§ 315.712 Conversion based on service as a Career Intern**

(a) *Agency authority.* An agency may convert noncompetitively to career or career-conditional employment, a career intern who:

(1) Has successfully completed a Career Intern Program, under § 213.3202(o) of this chapter, at the time of conversion; and

(2) Meets all citizenship, suitability and qualification requirements.

(b) *Tenure on conversion.* An employee whose appointment is converted to career or career-conditional employment under paragraph (a) of this section becomes:

(1) A career-conditional employee except as provided in paragraph (b)(2) of this section;

(2) A career employee when he or she has completed the service requirement for career tenure or is excepted from it by § 315.201(c).

(c) *Acquisition of competitive status.* An employee whose employment is converted to career or career-conditional employment under this section acquires a competitive status automatically on conversion.

[65 FR 78079, Dec. 14, 2000]

**§ 315.725 Disqualifications.**

Any law, executive order, or civil service rule or regulation which would disqualify an applicant for appointment shall also disqualify an employee for conversion of his employment to career or career-conditional employment under this subpart.

[33 FR 12418, Sept. 4, 1968, Redesignated at 44 FR 63080, Nov. 2, 1979]

**Subpart H—Probation on Initial Appointment to a Competitive Position**

**§ 315.801 Probationary period; when required.**

(a) The first year of service of an employee who is given a career or career-conditional appointment under this part is a probationary period when the employee:

(1) Was appointed from a competitive list of eligibles established under subpart C of this part;

(2) Was reinstated under subpart D of this part unless during any period of service which affords a current basis for reinstatement, the employee completed a probationary period or served with competitive status under an appointment which did not require a probationary period.

(b) A person who is:

(1) Transferred under § 315.501; or

(2) Promoted, demoted, or reassigned; before he completed probation is required to complete the probationary period in the new position.

(c) A person who is reinstated from the Reemployment Priority List to a position in the same agency and the same commuting area does not have to serve a new probationary period, but, if separated during probation, is required

# QUICK REFERENCE GUIDE TO A PERMANENT CHANGE OF STATION (PCS)

Department of Veterans Affairs

For Assistance call:

Financial Services Center (FSC) Travel Help Desk

1-512-460-5125 (commercial)

1-800-521-1985 (toll free)

Monday – Friday (7:00AM to 6:00PM Central Standard Time)



***FSC Travel Help Desk***

*Dedicated to Serving You*

*Toll Free 1-800-521-1985*

*Commercial 1- 512-460-5125*

*Fax 1-512 460-5157*

*Email VAFSC Travel Inquiry*

## Quick Reference Guide to PCS

2

### TABLE OF CONTENTS

1. General Information
  - a. Forms
    - VA Form 5-3918
    - VA Form 5-4650
    - VA Form 70-3036c
    - Standard Form 1012
    - Standard Form 1038
  - b. Time Limitations
  - c. Expenses allowed for new appointees or last move home
  - d. Expense Allowed for Move for the Convenience of the Government
  - e. Authorized Absence
2. House-Hunting Trip
3. Transportation and Storage of Household Goods
  - a. Household Goods and Personal Effects
  - b. Origin and Destination of Shipment
  - c. Arrangement for Shipping
    - Government Bill of Lading Method
    - Weight Limitations
    - Acceptable Evidence of Weight
    - Temporary Storage
    - Valuation Charges (Insurance)
    - Damage to Goods
    - Submission of Reimbursement Voucher by Employee
  - d. Helpful Moving Tips on Household Goods Shipment
4. En route travel
  - a. Travel by Common Carrier
  - b. Travel by Privately Owned Vehicle (POV)

## Quick Reference Guide to PCS

3

- c. Allowable Per Diem
  - d. Short Distance Transfer (Reporting Date on or after 2/19/02)
- 5. Miscellaneous Expense
- 6. Real Estate Expenses
  - a. Termination of Lease at Old Station
  - b. Sale and/or Purchase of Residence
    - Relocation Services Program
  - c. Examples of Reimbursable Expenses
    - Brokerage Fees
    - Advertising
    - Appraisal Fee
    - Legal and Related Fees
    - Mortgage Prepayment Penalty
    - Lender's Appraisal Fee
    - Loan Origination fee
    - FHA and VA application fee
    - Certifications
    - Credit Report
    - Lender's Title Insurance Policy
    - Owner's Title Insurance Policy
    - Escrow Agent's Fee
    - State Revenue Stamps
    - Sales Tax, Transfer Tax, or Mortgage Tax
  - d. Non-Reimbursable Expense
  - e. Limitations
  - f. Time Limitations
- 7. Temporary Quarters
  - a. Reimbursement of expense
  - b. Fixed rate
- 8. Advance of funds
- 9. Tax Deductible Moving Expense
- 10. Relocation Income Tax (RIT) Allowance

## Quick Reference Guide to PCS

4

### 11. Earnings & Leave Statements

### 12. Approving Officials

### Appendix A: Glossary of Terms

### Appendix B: Frequently Asked Questions

**Quick Reference Guide on Permanent Change of Station (PCS)****1. GENERAL INFORMATION**

This Quick Reference Guide briefly outlines the benefits and allowances that you may be entitled to receive as a result of your change of official station. It is not a copy of the applicable regulations and has no directive authority. The regulations covering change of station transfers for civilian employees are found in the Federal Travel Regulations (FTR).

VA has centralized the PCS process at the Financial Services Center (FSC). The FSC Travel Team performs all pre-move PCS counseling and prepares all documentation for the move after receiving a completed form 3918 from the respective HR office. Once notified that an employee is moving, the FSC Travel Team will make contact with the individual and begin the process. For any questions regarding the PCS process, please contact the FSC Travel Team via phone at 512 460-5125 or email VAFSC Travel Inquiry.

**a. Forms**

The following forms are used to document your change of official station.

- **VA Form 5-3918, Inter-Agency Transfer Request**
  - The agreement to remain in Federal Service for twelve months following the effective date of transfer.
  - This agreement is between the employee and the Agency.
  - If you violate this agreement, you will be liable for repayment of all or a part of the money received for your change of station expenses.
  - Repayment will be waived if you are separated for reasons beyond your control and acceptable to the Department of Veterans Affairs.
- **VA Form 5-4650, Notification of Personnel Action**  
The Human Resources Department issues this form.
- **VA Form 70-3036c, Travel Authority for Permanent Duty**
- **SF 1012, Travel Voucher**
- **SF 1038, Application and Account for Advance of Funds**

## Quick Reference Guide to PCS

6

**b. Time Limitation**

All travel and transportation shall begin within two years of the effective date of change of official station. Upon the employee's written request, the Secretary of the Department of Veterans Affairs or his/her designee may extend the two-year time limitation for an additional period not to exceed two years.

**c. Expenses allowed for New Appointees or last move home**

- Per diem for en route travel is an entitlement for the employee only.
- Transportation expenses for en route travel are an entitlement for employee and dependents.
- Shipment and Storage of Household Goods is an entitlement.
- Shipment of Vehicle is allowed at the gaining station's discretion.
- Shipment of Professional Books is allowed at the gaining station's discretion.

**d. Expenses allowed for Move for Convenience of the Government**

- Per diem for en route travel for employee and dependents
- Transportation expenses for employee and dependents
- House hunting trip (optional if authorized by the approving official)
- Temporary Quarters (optional if authorized by the approving official)
- Real Estate- (Purchase and Sale)
- Relocation Services (Cendant Mobility)
- Shipment and Storage of Household Goods
- Shipment of Vehicle (optional if authorized by the approving official)
- Shipment of Professional Books (optional if authorized by the approving official)
- WTA allowance

**e. Authorized Absence**

An employee who is being transferred for the convenience of the Government from one VA facility to another may be excused without charge to leave for the time required, not to exceed 2 workdays, to make arrangements for moving. If the employee is authorized absence not to exceed 10 calendar days to make a round trip in an official travel and duty status to find housing at the new location; time



## Quick Reference Guide to PCS

7

required for getting settled at the new location, not to exceed 1 workday, may be granted as excused absence without charge to leave. Where no advance round trip is made to the new location, the employee may be authorized absence not to exceed 5 workdays with no charge to leave to find housing and move into it within one year after the change in facility.

**2. HOUSE-HUNTING TRIP** *(not allowed for new appointees, or last move home)*

When authorized, an advanced round trip may be paid for the employee and the spouse for the purpose of obtaining residence before the actual move. Separate round trips by the employee and the spouse may be allowed provided the overall cost is limited to the cost of one round trip of the employee and the spouse traveling together. A house-hunting trip will be authorized only when circumstances indicate that it is actually needed.

Reimbursement is based on either actual expenses or a fixed rate. A maximum of 10 days may be allowed for a house-hunting trip. You are considered to be in duty status on working days within the authorized period of the house-hunting trip. As a general policy, allowances for temporary lodging will be reduced or avoided if the employee takes a house-hunting trip. The use of a privately owned automobile is permitted if it is deemed advantageous to the Government. The approving official may authorize reasonable expenses for the period of the house-hunting trip. Expenses for the use of taxis shall be limited to transportation between depots, airports or other carrier terminals and the place of lodging.

A house hunting trip **may not** be authorized at the Government expense if:

1. The distance (via a normally traveled route) from the old to the new stations is less than 75 miles.
2. Until the date of transfer is established.
3. Until the agreement to remain in Federal Service for twelve months is signed by the employee.

### **3. TRANSPORTATION AND STORAGE OF HOUSEHOLD GOODS**

#### **a. Household Goods and Personal Effects**

Household Goods and Personal Effects is defined as personal property which may be transported legally in interstate commerce and which belongs to the transferring employee and his/her immediate family at the time shipment or storage begins.

Household Goods and Personal Effects includes:

- Household furnishings
- Appliances
- Furniture
- Clothing
- Books
- Snowmobiles
- Vehicles with 2 or 3 wheels
- Small Boats
- Ultra Light Vehicles
- Light weight 4-Wheel ATV used for hunting; backpacking; riding in rough terrain.
- Remember- maximum reimbursement is limited to cost of 18,000 lbs only.

Household Goods and Personal Effects do not include:

- Property which is for resale or disposal
- Airplanes
- Trailers
- Boats
- Livestock
- Property belonging to any persons other than you and the your immediate family
- Any property intended for use in conducting a business or other commercial enterprise.

The transportation of a privately owned house trailer, in lieu of household goods, may be allowed at Government expense in accordance with the Federal Travel Regulations.

## Quick Reference Guide to PCS

9

### **b. Origin and Destination of Shipment**

- The shipment of household goods may originate at your old official station or at some other point, or partially at both.
- The destination may be the new official station or some other point selected by you or both.
- The total reimbursement will not exceed the amount that would apply had there been a one-lot shipment by the most economical route from the old official stations to the new official station.

### **c. Arrangements for Shipping**

#### **Government Bill of Lading (GBL) Method**

The FSC Travel Staff will advise the employee of the preferred method of shipment of household goods. Under the GBL method, the Department of Veterans Affairs will select the carrier and make the arrangements.

#### **Weight Limitations**

The maximum net weight of household goods to be transported and/or stored at Government expense may not exceed 18,000 pounds.

#### **Acceptable Evidence of Weight**

The net weight shown on the household goods bill of lading is administratively acceptable unless the bill of lading shows only estimated and not actual weight.

#### **Temporary Storage**

In no case, will reimbursement exceed the sum actually paid for storage. Storage reimbursement of household goods will not exceed 90 days.

The appropriate authorizing official may approve an additional period of storage, not to exceed 90 days, if it meets certain specific conditions. Justification for an additional storage period may include:

- An intervening temporary duty or long-term training assignment.
- Non-availability of suitable housing.
- Completion of residence under construction.
- Serious illness of employee or illness or death of a dependent.

## Quick Reference Guide to PCS

10

- Strikes, acts of God, or other circumstances beyond the control of the employee.

### **Valuation Charges (Insurance)**

You will receive a bill of collection for any valuation charge (insurance) the employee requests over the amount VA authorized for payment.

### **Damage to Goods**

Claims for damages or losses on shipment of household goods shall be made to the carrier, which transported the goods. If you do not receive what you consider an equitable settlement from the carrier, you may make a claim against the Government under the Personnel Claims Act, VA Regulation 14.664, for the difference between the amount received and the amount you feel you should have received.

### **Submission of Reimbursement Voucher by Employee**

If you elect to move your household goods on your own, Do-It-Yourself (DITY) move, the claim for reimbursement for transportation of household goods and/or temporary storage must be submitted on Standard Form 1012, Travel Voucher. Before submitting your voucher and the supporting documents to the FSC travel office, please check to verify the following:

The voucher, SF 1012 must show:

- The date, the pick up point and delivery point of your shipment;
- The shortest highway distance between the point of origin and the point of destination;
- The weight and applicable rate per hundred pounds of goods transported;
- A statement to the effect that prohibited items are not included in the weight for which reimbursement is claimed;
- A reference to prior voucher(s) when multiple vouchers are issued;
- The beginning and ending dates of temporary storage;
- The weight and applicable rate per hundred pounds of goods in temporary storage; and

## Quick Reference Guide to PCS

11

- The actual cost for the temporary storage. In no case, will you be reimbursed any amount in excess of that actually paid by you for temporary storage.
- The voucher must be supported by:
- The original receipted bill of lading or a certified copy. If no bill of lading is available, other evidence showing point of origin, destination, weight, and evidence of payment.
- A weight master's certificate in all instances where there is no reason to doubt the accuracy of the weight indicated on the carrier's bill of lading.
- A receipted storage bill showing the exact amount paid for any temporary storage; the exact dates (from and to) of storage; and the exact weight of the goods stored.

**d. Helpful moving tips on household goods shipment**

These tips, based on the experience of others who moved, can assist you in organizing and developing a planned approach to your move. None of these tips will affect your claim for travel reimbursement.

- You cannot ship frozen foods. Plan to use your freezer stock. After that only buy frozen foods in small quantities.
- Do your packing early, but use discretion. You can save money if you pack those articles that are not fragile, such as books, pots, and tools.
- Do not pack your own dishes, glassware, china, antiques, or other fragile and valuable articles. Leave this to the professional packers. Carriers may refuse to accept responsibility for damage to such items unless they pack them.
- Remove heavy items and liquids from furniture drawers.
- Collect your old magazines and paperback books. Give them to a local hospital or youth group.
- Discard old clothes you have not worn for years. Throw them away or give them to charitable organizations.
- Do not ship paints, oils, cleaning fluids, or similar flammables. If you cannot take them by automobile, properly discard them or give them away.
- Dispose of all empty bottles and jars.
- Get a ball of heavy twine and tie your garden tools in a secure bundle.

## Quick Reference Guide to PCS

12

- Drain the fuel and oil from your power and other combustion-engine powered machines.
- Take a second look at the things in your storage area. If you have not used them in the past 2 years, you probably never will. If they are still usable, donate them to a good cause, otherwise, discard them.
- At the time of packing and delivery, pay close attention during the inventory process to assure proper condition codes are marked for each item. A future claim will be judged using this information as evidence of condition.
- Your mover cannot be responsible for plants, bulbs, roots, and most growing things. Give them away or transport them yourself. Some states prohibit their entry.
- Arrange to discontinue utility services (gas, electric, telephone); if utility is to remain in service, be sure the meter is read after you vacate.
- A few days before your loading date, verify your mover is prepared to service (or arrange for the servicing) of all you appliances (automatic washers and dryers, refrigerators, freezers, television sets, record players, air conditioners, etc.) Such items as organs, grandfather clocks, pool tables, or delicate antiques may also need servicing.
- If you have antique furniture or other highly prized possession, have these articles appraised before you move and make sure copies of the appraisal are attached to the mover's bill of lading. This precaution should facilitate collections of a claim should any of the articles be lost or damaged.
- Before delivery of household goods, ask the driver for the weight and, if it seems excessive or if it is over 18,000 pounds, request a re-weigh before unloading.
- Do not include canoes, automobiles, building material, or property intended for use in conducting a business. Usually those kinds of items will be specifically in the bill of lading and you will be liable for the full amount associated with the transport of these items. If you need to ship any of the above items, you should make your own shipping arrangements since they will be under a different rate, which will be less costly than the rate, you will have to pay if the above items are shipped under the household goods rate.

## Quick Reference Guide to PCS

13

- Give as much advance notification as possible to the FSC Travel Staff in reference to your pending move.

**4. En route Travel****a. Travel by Common Carrier**

When members of your immediate family accompany you to your new official station, all tickets should be purchased using a Government travel charge card.

**b. Travel by Privately Owned Vehicle (POV)**

Payment of a mileage allowance when authorized or approved in connection with the transfer, will be allowed as follows:

<b>Occupants of Automobile</b>	<b>Mileage Rate (in cents)</b>
Employee only, or one member of immediate family	\$.15
Employee and one member, or two members of immediate family	\$.17
Employee and two members or three members of the immediate family	\$.19
Employee and three or more members or four or more members of the immediate family	\$.20

Except under special circumstances, the use of only one POV is authorized as more advantageous to the Government.

**c. Allowable Per Diem**

Allowable per diem begins upon departure from the old station vicinity and ends upon arrival at the new duty station vicinity. The allowance is based on the usually traveled route between the old and new official stations. No per diem will be allowed for travel of 12 hours or less. New appointee employees are only entitled to per diem for themselves and not for their immediate family.



## Quick Reference Guide to PCS

14

Allowance rates are as follows:

Employee	The administratively established amount for regular travel. The Continental United States (CONUS) allowable per diem is based on \$60 lodging and \$39 M&IE (Meals & Incidentals). Outside the Continental United States (OCONUS), the rate of reimbursement is the allowable per diem for lodging and the M&IE for the area.
Spouse	When accompanied by the employee, $\frac{3}{4}$ of the amount allowed by the employee.  When more than one POV is used, the spouse will be considered to have been accompanied by the employee if travel is on the same days along the same general route.
Additional members of the immediate family	Age: 12-20: $\frac{3}{4}$ of the employee allowance rate.  Age: Under 12: $\frac{1}{2}$ of the employee allowance rate.

When travel is by privately owned vehicle, the per diem may not exceed an amount computed on the basis of a minimum driving distance per day which is prescribed as reasonable by the authorizing official and is not less than an average of 300 miles per calendar day, except when not possible because of uncontrollable events such as highway detours, snowstorms, hurricanes, tornadoes, excessive rainfall, earthquakes, landslides, and sandstorms. In such situations, the excess driving time and or distance must be fully justified on the voucher and approved by the approving official. With respect to reasonable driving distance per day, an average of 300 miles is established.

#### **d. Short Distance Transfer**

The short distance transfer has been changed from 10 miles to 50 miles for PCS Entitlements. Temporary Quarters allowance has changed from 40 miles to 50 miles.

The enroute claim should precede any other travel claim. If no enroute travel claim will be filed, please annotate on the travel authority that



## Quick Reference Guide to PCS

15

there will be no claim for enroute, or annotate it on the first claim filed. Please provide the date arrived at the new duty station. This will avoid delays on processing future claims.

**5. MISCELLANEOUS EXPENSES** *(not allowed for new appointees and last move home)*

The miscellaneous expenses defray various costs associated with discontinuing residence at one location and establishing residence at a new location. A claim may be made without supporting evidence of expenses, in which case the allowance will be as follows:

- \$500 or the equivalent of 1 week's basic pay, which is the lesser amount, for an employee without immediate family.
- \$1000 or the equivalent of 2 week's basic pay, whichever is the lesser amount, for an employee with immediate family.

Certain itemized expenses are allowed when supported by receipts. The aggregate amount cannot exceed the employee's basic pay for one week for the employee with no dependents or two week for the employee with dependents. Some examples of reimbursable expenses under this allowance include:

- Disconnecting and connecting appliances, equipment and utilities involved in relocation, and the cost of converting appliances for operation on available utilities.
- Cutting and fitting rugs and the alteration of draperies and curtains moved from one residence to another.
- Utility fees or deposits that are not offset by eventual refunds.
- Forfeiture losses on medical, dental, or food locker contracts that are not transferable.
- Automobile registration, driver's license and use taxes imposed when bringing automobiles into some jurisdictions.

**6. REAL ESTATE EXPENSES AND UNEXPIRED LEASES** *(not allowed for new appointees and last move home)*

**a. Termination of Lease at Old Station**

Expenses incurred for settling a non-expired lease on residence quarters at the old station may be reimbursable when:

- The terms of the lease provide for payment of such expenses;

## Quick Reference Guide to PCS

16

- Such costs cannot be avoided by sub-leasing or other arrangements;
- The employee has not contributed to the cost by failing to give timely notice of intent to move promptly after having knowledge of the transfer to the new official station.

**b. Sale and/or Purchase of Residence**

Employees have two options when selling their residence at their old station.

- 1) Market and sell their home on their own for up to two years from their reporting date and then file for direct reimbursement of the allowable reimbursable costs incurred, or;
- 2) Enroll in the Relocation Services Program, also known as the "Home Buy Out" program. In this program the employee **MUST** start the process within 90 days.

**Relocation Services Program**

This program provides relocation assistance to help employees plan and complete their moves to their new duty stations as smoothly as possible. Under the contract the following services are offered:

- **Guaranteed Home Sale** – The contractor makes an offer to purchase the employee's home at current market value based on the average of two appraisals or at a higher "amended value" offer if a sale is obtained prior to "buy out". By using this service, the employee will receive their equity promptly and can move on to the new location as quickly as possible.
- **Home Marketing Incentive Award Pilot Program** – As part of an effort to realize cost savings for permanent change of station (PCS) travel, the General Services Administration issued regulations that encourage agencies to implement an incentive awards program as a means of rewarding Federal Employees who through their own initiative save the agency money by finding a qualified buyer for their home while enrolled in a relocation services program and when relocating in the interest of the Government. VA's Relocations Services Program provides employees with assistance in selling their home at their old duty

## Quick Reference Guide to PCS

17

station when transferring for the benefit of the Government and when authorized permanent change of station allowances.

Employees may sell their homes in two ways:

- If the employee finds a qualified buyer for the home, the Relocation Services Contractor will complete the sale and pay the sales commission and closing costs on the home. This process is known as an amended sale. For this service, VA pays a fee of approximately 13% of the home's sale price (the fees VA Pays the contractor are adjusted periodically based on the terms of the contract and the contractor's expenses).
- If the employee fails to find a qualified buyer within 60 days, the contractor will make the employee an offer based on appraisals and the employee has 60 days to make the choice on whether to take the contractor's offer or not. If the employee chooses to accept the contractor's offer, VA will pay a fee of approximately 25% of the home's sale price for the service. (This process is known as a regular sale or guaranteed buyout.) On a guaranteed buyout, the contractor must maintain the home in its inventory and pay carrying costs until a qualified buyer is found.

Because of the higher fee associated with the guaranteed buyout, it is in VA's interest to encourage employees to find a qualified buyer for the home

**Policy:**

- VA is establishing the Home Marketing Incentive Award Pilot Program to encourage employees to find a qualified buyer for their home while enrolled in the Department's Relocation Services Program.
- The amount of the award is limited to 2% of the selling price of the residence, not to exceed \$8,000.
- The award will be paid from the savings achieved by the lower fees incurred.
- The employee's new duty station will provide the award to qualifying employees.

## Quick Reference Guide to PCS

18

- **Marketing Assistance Program** –Marketing assistance is designed to provide the employee with strategies that will enable them to sell their residence at a higher price than that offered by the contractor. The property must be marketed/listed with a network broker for a minimum of 60 calendar days prior to acceptance of the guaranteed offer.
- **Destination Services**-This service provides valuable information about the new area both for new home purchase or rental assistance. When you register and use a recommended broker and are using the home sale program, you will be eligible for a 95% equity advance at no cost to you, by the contractor.
- **Temporary Housing**-The contractor will assist you in locating temporary quarters at your new location.
- **Mortgage Services**- Although there is no obligation, this service is available to all VA employees at no cost to the employee or the agency.
- **Spouse employment counseling**- to assist the employee's spouse with his/her job search at the new location. (This service is at the employees expense)
- **Property Management Services** (PCS to a foreign area only and not allowed for new appointees and last move home) - When authorized, the contractor will manage your residence as a rental property. There is limited authority for this in the Federal Travel Regulations under 41 CFR 302.1 subparts C and D and 302-6 (g) Details of this program can be found at MP-1, Par II, chapter 2, appendix N, at the following web site:  
vaww.va.gov/oa&mm/relocation and from the FSC Travel Staff @ 512 460-5125.

Reasons for **not** using the program and selling your home yourself:

- Not ready to relocate immediately (i.e. Kids in school, spouses job etc.)
- Not sure if you want to sell your home

## Quick Reference Guide to PCS

19

- Can use any broker of your choice
- Have up to two years to complete sale of home

**Reasons to use the Relocation Services Program:**

- Safety net “buy out” program
- No tax liabilities
- Equity advance potential
- Do not have to attend closing
- Other services provided as noted above
- Do not have to file and wait for a claim of reimbursement.

**c. Examples of Reimbursable Expenses**

The following expenses are reimbursable with respect to the sale or purchase of a residence to the extent the amounts do not exceed amounts customarily paid in the locality of the residence:

- **Brokerage Fees** – The amount of the sales commission paid to a broker or real estate agent for sale of a former residence. In addition, fees for listing a residence and payment for multiple listing service, if not included in the commission paid to the broker or real estate agent.
- **Advertising** – Expenses paid for newspaper and other advertising when a direct sale is made without the services of a real estate broker or real estate agent.
- **Appraisal Fee** – The amount paid to a professional appraiser for establishing a suggested sales price for the residence
- **Legal and Related Fees** – The amounts paid for costs of searching title; preparing abstracts and legal fees for a title opinion; title insurance policy where customarily furnished by the seller; cost of preparing conveyances; other instruments and contracts; related notary fees; costs of making surveys, preparing drawings or plats; recording fees and recording taxes or other charges incident to recording.
- **Mortgage Prepayment Penalty (Sale only)** - The amount paid as required in the mortgage or other security instrument as a charge for prepayment; or if not specifically required by the mortgage instrument, the amount paid is limited to 3 months of the prevailing interest on the loan balance.
- **Lender's Appraisal Fee** – The amount paid for the mortgage lender's charge for residence appraisal.

## Quick Reference Guide to PCS

20

- **Loan origination fee (up to 1% of the loan amount).  
FHA and VA application fee.**
- **Certifications** – The amount paid for any required certification as to structural soundness or physical condition of property, when required by Federal, State, or local law; or by the lender.
- **Credit Report** – The amount paid for credit or factual data report on the buyer, if required by mortgage lender, FHA or VA.
- **Lender's Title Insurance Policy** – Policy paid for by the buyer on behalf of and required by the lender.
- **Owner's Title Insurance Policy** – Normally not reimbursable to the employee unless it is a prerequisite to financing and/or required by the lender or is state law.
- **Expenses in connection** with construction of a residence, which are comparable to expenses that reimbursable in connection with the purchase of an existing residence.
- **Escrow Agent's Fee** – The amount paid to an escrow agent, title company, or similar entity for closing a real estate transaction.
- **State Revenue Stamps.**
- **Sales Tax, Transfer Tax, or Mortgage Tax.**

**d. Non-reimbursable Expenses**

The following expenses are not reimbursable with respect to the sale or purchase of a residence:

- Cost of insurance against damage or loss of property.
- Maintenance and operating costs.
- Property taxes
- Mortgage discounts
- Points
- VA Funding Fees
- FHA insurance
- Interest on loans and losses in connection with the sale or purchase of residence due to price or market conditions.
- Tax service fee
- Underwriting fee



**e. Limitations:**

- **Sale of Residence** – Reimbursement will not exceed 10% of the actual sale price.
- **Purchase of Residence** – Reimbursement will not exceed 5% of the purchase price.
- Reimbursement of any real estate claim is on a pro rata basis to the extent of actual title interest.

**f. Time Limitations**

These limitations apply to those travel authorities with reporting date on or after 2/19/02.

- The settlement date for the sale and purchase or lease termination transactions for which reimbursement is requested must not be later than two years after the date on which the employee reported to duty at his/her new official station.
- An additional period of time not to exceed two years may be approved when it is determined that purchase or sale of residence is directly related to the change of station.
- The request for the additional two years must be made 30 days prior to the expiration of the first two-year term.
- Payment will not be made if settlement on a residence transaction takes place five or more years after reporting for duty at the new station.

**7. TEMPORARY QUARTERS** *(not allowed for new appointees and last move home)*

**a. Reimbursement of expenses.** Reimbursement is based on either actual expenses or a fixed rate.

- 1). Actual Expenses** – VA and the Federal Travel Regulation provide that temporary quarters subsistence expenses may be allowed for a period of up to 60 consecutive days when occupancy of temporary quarters is determined to be necessary on a case-by-case basis. Additional periods of time up to 60 additional days, may be allowed subject to the provisions of 41 CFR 302-5.2. Given that the Relocation Services Program provides the employee with ample opportunity to sell the old residence, move to the new location, and settle in a new residence quickly, and since

## Quick Reference Guide to PCS

22

the Relocation Services Program is a more expensive method of relocating employees, the following restrictions apply to temporary quarters allowances for employees utilizing the services of the program:

**Approving officials will approve no more than 30 days temporary quarters at a time for employees entered on the relocation services contract.**

- Under compelling circumstances acceptable to the Agency, another 60-day temporary lodging period may be granted.
- Under no circumstances will temporary quarters exceed 120 days. Receipts are required.

Examples of compelling reasons considered to beyond the employee's controlling for purposes of granting this extension may include, but are not limited to:

- Shipment and/or delivery of household goods to new residence is delayed due to extended transit time for reasons such as ocean transportation; strikes; customs clearance; hazardous weather; fires; floods; or other acts of God.
- New permanent residence cannot be occupied because of unanticipated problems such as delays in settlement on new residence, short-term delay in construction of a new residence, etc.
- Inability to locate permanent residence that is adequate for family needs because of housing conditions at the new official station.
- Sudden illness, injury or death of employee or immediate family member.

Allowable expenses include: charges for meals, lodging, fees, tips related to meals and lodging, laundry, cleaning and pressing of clothing. Basic utilities charges can be itemized daily and included with the lodging expense. Receipts are required for lodging, dry cleaning, utilities and for groceries over \$75.00



## Quick Reference Guide to PCS

23

The amount that may be reimbursed shall not exceed the following:

First 30 days:

	Lodging	M&IE
Employee per diem rate or spouse unaccompanied by employee	\$60.00	\$39.00
Accompanied spouse and members of family over 12 years of age	\$45.00	\$29.25
Each family member under 12 years of age	\$30.00	\$19.50

Second 30 days and additional 60 days if approved:

	Lodging	M&IE
Employee per diem rate or spouse unaccompanied by employee	\$45.00	\$29.25
Accompanied spouse and members of family over 12 years of age	\$30.00	\$19.50
Each family member under 12 years of age	\$24.00	\$15.60

## 2). Fixed Rate

The time limitation is 30 days with no exceptions. Receipts are not required.

- The employee's rate is calculated based on: Number of days X Per Diem Rate (TDY Rate) X .75.
- The dependent's rate is calculated based on the Number of days X Per Diem Rate (TDY Rate) X .25.

## 8. ADVANCE OF FUNDS

To request an advance of funds, the employee must submit a SF 1038, Application and Account for Advance of Funds. If the employee has a government travel charge card, it can be used for charging the enroute travel, house hunting trip, and some temporary quarters charges.

Vouchers must be submitted immediately so you will be reimbursed in time to pay your government travel charge card bill in a timely manner.

Advances may be issued for:

## Quick Reference Guide to PCS

24

- Per diem and transportation not covered by a transportation request for the employee and dependents during the enroute travel;
- The employee and spouse during the house hunting trip;
- For subsistence expenses while occupying temporary quarters. Advances will only be issued for temporary quarters 30 days at a time.

Travel advances will not be issued for allowances for miscellaneous expenses, expenses incurred in connection with real estate transactions and non-expired leases, or Relocation Income Tax allowance.

Advances will be offset against any and all PCS vouchers submitted by the employee until the advance is liquidated.

## **9. TAXABLE MOVING EXPENSES**

When the following travel vouchers are submitted for reimbursement, the Internal Revenue Service and the Federal Travel Regulation requires the withholding of 25% Federal, 1.45% Medicare, 5% State (if applicable), and 6.20% FICA (if applicable) taxes:

- Meals on En route Travel
- House hunting Trip
- Temporary Quarters
- Miscellaneous Moving Expense
- Real Estate-Purchase and Sale
- RIT- Relocation Income Tax

IRS instructions for taxes on change of station allowances are covered in IRS Form 3903, Moving Expenses Adjustment; Publication 521, Tax Information on Moving Expenses; and Publication 17, Your Federal Income Tax. All are available at all IRS tax offices.

## **10. RELOCATION INCOME TAX (RIT) ALLOWANCE**

The Federal Travel Regulations authorize the reimbursement of additional Federal Income Tax, state and local income tax incurred by you, or you and your spouse if a joint tax return is filed, as a result of relocation expenses reimbursed by the Government.

## Quick Reference Guide to PCS

25

The computation of the RIT is based on your earned income or if a joint tax return has been filed, the earned income of you and your spouse. The Government developed a formula which reimburses the employee for approximately all of the taxes for relocation reimbursement paid in the previous year and also those taxes on the RIT Allowance for which the employee will be liable in the following year.

If paid a Withholding Tax Allowance (WTA) for previous reimbursements, you must submit a RIT claim the following year. A RIT claim must include: the RIT form, IRS Form W-2 for yourself or, if you filed a joint return, for yourself and your spouse and copies of all VAF 38-1 (104) you received during the year you are filing.

The WTA is an estimated partial payment (advance) of the total RIT allowance designed to reimburse the employee for Federal Tax withheld on each claim for taxable moving expenses. This allowance is an option for the employee. The employee is not obligated to accept the allowance. If the employee accepts the allowance, the VA Financial Services Center (FSC) will automatically compute and add the allowance to the relocation claim. Please understand, per IRS, WTA is an allowance and as such is subject to Medicare, State & FICA taxes where applicable.

In order to receive the WTA, the employee must certify the voucher and attach a certification that reads as follows:

***"I hereby agree to repay any excess amounts of WTA received. I further agree to submit a Relocation Income Tax (RIT) claim with all required tax information."***

***Signature***\_\_\_\_\_

The VA Financial Services Center annually publishes the RIT Application to the <http://vaww.fscdirect.fsc.va.gov/rita/rita.asp> website. Please be advised, if you fail to submit a RIT form, all WTA's paid the previous year will be collected. **It should be understood that the reimbursement of taxes by the RIT allowances is an approximate amount of the tax you actually paid.**

## **11. EARNINGS & LEAVE STATEMENTS**

An earning & leave statement will be issued by Payroll for PCS moving expenses for taxable and non-taxable moving expenses on the pay period the moving expenses are paid. If the employee is due any money, the money will be deposited by EFT. Since the earning & leave statement is only a recording of moving expenses, the net to traveler will always be zero.

## **12. APPROVING OFFICIALS**

- Medical Center Director (Approve Permanent Change of Station Authorities and can approve up to 60 days of TQ)
- Associate Director (If delegated by MC Director)
- Chief of Fiscal (If delegated by MC Director)
- VISN Directors (Can approve additional time beyond the first 60 days of TQ)

## **APPENDIX A GLOSSARY OF TERMS**

1. **Official Station** – Defined as the building or place where an officer or employee regularly reports to duty.
2. **Immediate Family** – Any one of the following named members of the employee's household at the time the employee reports for duty at the new permanent duty station.
  - i. **Spouse**
  - ii. **Children** – Children of the employee or the employee's spouse who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support. The term children includes biological children; stepchildren; adopted children and grandchildren; legal minor wards; other dependent children who are under legal guardianship of the employee or employee's spouse.
  - iii. **Dependent parents** – including step and legally adopted parents of the employee or the employee's spouse.
  - iv. **Dependent siblings** – including step and legally adopted siblings of the employee or employee's spouse who are unmarried and under 21 years of age or who regardless of age, are physically or mentally incapable of self-support.
3. **Dependent** - To be considered a dependent of the employee or the employee's spouse, at least 51 percent of their support is from the employee or the employee's spouse. These individuals may also be considered dependents if they are members of the employee's household and in addition to their own income receive support (less than 51 percent) from the employee or employee's spouse without which they would be unable to maintain a reasonable standard of living.

## **APPENDIX B FREQUENTLY ASKED QUESTIONS**

### **Questions and Answers:**

**1. Can an employee be reimbursed for Temporary Quarters for a period longer than 60 days?**

Your agency may authorize you to claim actual Temporary Quarter in 30-day increments, not to exceed 60 consecutive days. However, if your agency determines that there is a compelling reason for you to continue occupying temporary quarters after 60 consecutive days, it may authorize an extension of up to 60 additional consecutive days. Under no circumstances may you be authorized to claim actual TQSE reimbursement for more than 120 consecutive days.

**2. Is an employee authorized Per Diem allowances if he/she occupies temporary quarters in a private residence?**

In cases where an employee occupies temporary quarters in a private residence, no part of the per diem allowance will be allowed for lodging unless the host actually incurs additional costs in accommodating the traveler. The burden of proof is on the claimant to provide sufficient information to enable the employing agency to determine the reasonableness of the claim, and it is not sufficient for the employee to show that the amount paid is less than the commercial rate or the maximum rate allowable. 41 CFR 301-7.9(c)(3). B-215450, 12/27/84; B-219477, February 11, 1986; B-249180, November 17, 1992; General Services Board of Contract Appeals 14600-RELO, 08/10/98.

**3. Does an employee need laundry receipts if claiming the expense?**

Receipts for any laundry/dry cleaning are required (except for coin operated). The receipt should be itemized. A charge slip or a general receipt does not allow the Travel Section to properly audit the claim. The travel section has had to deny claims for cleaning of blankets, draperies, etc. that have been claimed by travelers in error.

**4. Are telephone calls reimbursable when in temporary quarters?**

Telephone calls are not reimbursable under the temporary quarters authority. 41 CFR 302-5.2. Expenses from telephone calls that are not official business are considered a part of the miscellaneous moving allowance for which you were/will be reimbursed the maximum allowance without presentation of documentation (official phone calls should be claimed on a form 1164 and paid at your station). 41 CFR 302-3.2; 302-3.3 and CG Decision B-185160 1/2/76.

**5. Are ATM fees a reimbursable expense?**

ATM fees are considered a part of the miscellaneous moving allowance as travel regulations do not provide for reimbursement of this fee under PCS travel regulations, be it house hunting, enroute, temporary quarters, etc. You will be reimbursed the maximum allowance for miscellaneous expenses without presentation of documentation 41 CFR 302-3.3 & 41 CFR 302-6.2(d)(1).

**6. Is a "DO IT YOURSELF" method available for moving household goods?**

When an employee chooses to move all or part of his/her household goods by some other means other than GBL, the Government's financial responsibility toward the employee for the shipping costs is limited to the cost which the Government would have incurred had all the household goods been moved on one GBL in one lot, from one origin to one destination, by the low cost carrier available at the time of the move. The Government will repay you only for the actual costs. Further, these costs cannot be more than that which would have been authorized by the available low-cost carrier under the GBL method. Federal Property Management Regulations (Amendment G-79, June 1986) Part 101-40.203.2(b). 41 FTR 302-8.2(c)(4). CG Decision B-206973, 05/18/83. A proper cost comparison and a weight certificate must accompany HHG shipment and/or storage claims so that the maximum allowed (weight and money) can be determined.



**May I take a “side trip” on my way to my new station?**

If actual travel involves departure or destination points other than the old or new official station, the travel expenses shall not exceed the amount to which would have been allowed if traveled by a usually traveled route. Your per diem is based on the usually traveled route between the old and the new stations at an average driving distance rate of 300 miles per day. Per Diem allowed cannot exceed the amount, which would be reimbursed for uninterrupted travel.

**7. Can I get some money in Advance of my travel?**

You may be advanced funds for certain expenses based on your prospective entitlement if approved by the gaining station. Federal regulations do not allow an advance for miscellaneous, real estate or expenses related to shipment or storage of household goods.

**8. Will my household goods be shipped/stored at Gov't expense?**

At the Government expense, an employee is authorized up to 18,000 lbs. as the maximum weight of household goods with 90 days of storage (18,000 lbs.). Storage in excess of 90 days may be approved at the station level up to a total of 180 days.

**9. Are receipts required?**

Receipts are required to support all lodging costs for which an allowance is claimed (with the exception on “fixed” rate claim). FTR 302-5.12; FTR 301-7.9 (b). Any lodging receipts must indicate the days lodging occurred. The receipt should be itemized. Many lodging establishments offer and charge for pet fees, movies, security deposits, long distance phone call charges, etc. that are not reimbursable. A charge slip or a general receipt does not allow the Travel Section to properly audit a lodging claim. If any type of lease agreement was signed for this lodging, a copy of the lease agreement should also be submitted with the claim.



**11. What is the dollar threshold in which receipts must be provided to receive reimbursement?**

Receipts must be provided for any authorized expenses incurred costing over \$75.00 (even groceries), or a reason acceptable to VA explaining why you are unable to provide the necessary receipts. If it is impractical to furnish receipts in any instance as required the failure to do so must be fully explained on the travel voucher. Mere inconvenience in the matter of taking receipts will not be considered. 41 CFR 301-11.25 & 302-5.12. There are some exceptions to this rule (laundry/dry cleaning while in TQSE requires receipt no matter the amount and proof of any actual expense must be provided for any type of real estate expense claimed).

**12. May I be reimbursed for relocation expenses if I relocate to a new official station that is less than 50 miles from old official duty station? (This extension is allowed only when the reporting date on the travel authority is on or after 2/19/02)**

Generally, no; You may not be reimbursed for relocation expenses if you relocate to a new official station that is less than 50 miles from your old official station, unless the head of the agency or designee authorizes an exception. On a case by case-basis and having considered the following criteria, the head of your agency or designee may authorize the reimbursement of relocation expenses of less than 50 miles when he/she determines that it is in the interest of the Government: and

- (a) The one way commuting pattern between the old and new official station increases by at least 10 miles but no more than 50 miles; or
- (b) There is an increase in the commuting time to the new official station; or
- (c) A financial hardship is imposed due to increased commuting costs.

**NOTE: Please review the Federal Travel Regulations for additional frequently asked questions.**